

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
June 19, 2006**

The Board of Supervisors of Maricopa County Arizona convened in Informal Session at 10:15 a.m., June 19, 2006, in the Board of Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Don Stapley, Chairman, District 2; Fulton Brock, Vice Chairman, District 1, Andrew Kunasek, District 3, Max W. Wilson, District 4 and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Administrative Coordinator; David Smith, County Manager; Bruce White, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

IMPLEMENTATION AND USE OF BIO-DIESEL FUEL

Item: Review the implementation and use of bio-diesel fuel in the county fleet and provide an update on the results of the county utilizing bio-diesel. (C7406007M00) (ADM3100)

John Cantu, Director, Equipment Services

John Cantu introduced Matt Matsuka, the new public services fleet administrator for the County, who recently came to the Valley from Hawaii. Mr. Cantu reported that on November 18, 2005, the first stage of utilizing a B-5 blend of bio-diesel fuel was gradually introduced to the County's vehicular fueling stations with emphasis given to noticing any problems associated with the new fuel. To date, 527,000 gallons of bio-diesel have been used and 519,000 gallons of regular diesel. Customers were polled and most saw no difference between the fuels, some reported an increase in horsepower and some noticed a "different odor." There are more than 2,300 vehicles in the fleet and statistically there has been an increase in the number of alternative fuel vehicles used in the County from 14% to 40%, which Mr. Cantu called a "significant increase." Mr. Cantu will monitor national news for any pertinent information on alternative fuel and alternative fuel vehicles and report back to the Board on this and on the County's fleet periodically.

PUBLIC HEARING – TRUTH-IN-TAXATION

Chairman Stapley called for a Truth-in-Taxation hearing to be convened, pursuant to A.R.S. §42-17107, to hear taxpayers in favor of or against the proposed tax levy of \$7,843,332.

No protests having been received, and no speakers coming forth at the Chairman's call, motion was made by Supervisor Brock, seconded by Supervisor Kunasek, and unanimously carried (5-0) on a roll call vote with Supervisors Brock, Stapley, Kunasek, Wilson and Wilcox voting "aye" to approve the proposed primary tax levy increase of \$7,843,332.

Motion was made by Supervisor Brock, seconded by Supervisor Wilcox, and unanimously carried (5-0) to direct the Clerk of the Board to mail a copy of the truth in taxation notice, a statement of its publication and the result of the governing body's vote to the property tax oversight commission within three days of this hearing pursuant to A.R.S. §42-17107(A)(5). (C4906058800) (ADM1801-001)

FY 2006-07 MARICOPA COUNTY BUDGET

Chairman Stapley called for a public hearing to be convened, pursuant to A.R.S. §42-17104, to consider and adopt the following:

- The FY 2006-07 Budget in the amount of \$2,125,832,525 (Expenditures totaling \$1,742,187,740 and Appropriated Beginning Fund Balance of \$383,644,785), by total appropriation for each department and fund, and by project for the Capital Improvement Program, Transportation Improvement Program and Major Maintenance Program, and

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- The FY 2006-07 Budget Executive Summary.

This represents a \$2,515,871 reduction from the tentatively adopted budget of \$2,128,348,396. (C4906059800) (ADM1801)

Chairman Stapley read each of the following proposed amendments to the budget and called for a separate vote on each.

Amendment #1: Motion was made by Supervisor Wilcox, seconded by Supervisor Brock and unanimously carried (5-0) to approve the transfer and expenditure of \$20,000 from FY 2006-07 General Government (470) General Fund (100) Contingency (4711) to General Government (470) General Fund (100) Non-Profit-Funding (4774) to provide one-time funding to the East Valley Partnership to fund the Williams Gateway Area Urban Land Institute Advisory Services Panel Study.

Amendment #2: Motion was made by Supervisor Wilson, seconded by Supervisor Wilcox, and unanimously carried (5-0) to approve the transfer and expenditure of \$10,000 from FY 2006-07 General Government (470) General Fund (100) Contingency (4711) to General Government (470) General Fund (100) Dues & Memberships (4721) to provide ongoing funding to the Arizona-Mexico Commission for a sponsorship fee for their June Summer Plenary Session.

Amendment #3: Motion was made by Supervisor Wilcox, seconded by Supervisor Kunasek and unanimously carried (5-0) to approve \$188,084 from FY 2006-07 Appropriated Fund Balance (480) General Fund (100) Contingency (4811) to Appropriated Fund Balance (480) General Fund (100) Other Programs-Pest Abatement (4812) to fund, if necessary, the need for additional vector control services being provided in the Holly Acres area for one year. Amount to cover special spraying services by Vector Control in the West Valley area requesting formation of a Pest Abatement Special District to allow additional time to study the question of the formation. This could entail a request to the State Legislature to revise the old statute covering formation of such a district because it is antiquated. In giving his second to the motion, Supervisor Kunasek asked the year-long study to also determine if the severity of the area pest problem is caused by several under-maintained private irrigation systems. He said that maintenance of private systems should be the responsibility of those property owners and it isn't fair to try to correct problems caused by their lack of proper care by creating a special district to tax all property owners.

Amendment #4: Transfer of the County Attorney Civil Division budget to General Government. Chairman Stapley said that County Attorney Andrew Thomas has not responded to requests for this change. David Smith answered the Chairman's question on proper action by saying that this is a Board Initiative that could be done at any time and continuing it would not affect passage of the rest of the budget. This and two other related amendments will be continued to the Wednesday, June 21st Formal Meeting of the Board.

No protests having been received and no speakers coming forth at the Chairman's call, motion was made by Supervisor Brock, seconded by Supervisor Kunasek, and unanimously carried (5-0) to adopt the FY 2006-07 Budget in the amount of \$2,125, 832,525, as given, and as amended, above; and approve the FY 2006-07 Budget Executive Summary. Supervisor Brock added that the Board reserved the right to make further amendments to this budget on items now under consideration of counsel.

PUBLIC HEARING – FY 2006-07 SPECIAL DISTRICTS BUDGET

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The Board of Supervisors, sitting as the Boards of Directors of all Maricopa County Special Districts, was convened by Chairman Stapley in a public hearing to consider and adopt the FY 2006-07 Budget for the Other Special Districts per the FY 2006-07 Budget Schedules entitled "Direct Assessment of Special Districts Secondary Roll" and "Street Lighting Improvement District Levies Secondary Roll." (C4906063800) (ADM4301-003)

Motion was made by Director Brock, seconded by Director Wilcox, and unanimously carried (5-0) to approve the FY 2006-07 Budget Schedules for the Other Special Districts, as given above.

DOWNTOWN DEVELOPMENT

Item: Discuss the downtown office building and downtown development. Information obtained to date will be presented. Proposed project development process with recommended schedule will be presented. (ADM811-012)

Heidi Birch, Principal, Capital Facilities Development
Robert Roble, PinnacleOne

Heidi Birch said they would bring the Board up to date on what has been done and what is planned on the downtown County campus. She said that Mr. Roble would report on and answer questions regarding the project development.

She said that the County campus will be a significant part of the downtown and the appropriate number, size and height of the buildings and plans for parking are issues on which they are asking the Board members to give input. She said that the plan requested by the Board for Pay for Parking will be addressed later this summer after more study. She reported that the future use of Madison Street needs to be determined, and after completion of the plan of development of the four-block Campus area, the overall design and construction estimated costs would be available. The development team for this project will include the Board of Supervisors (BOS), Facilities Management Review Committee that is chaired by Steve Conner and includes David Smith, Joy Rich, Tom Manos, Marcus Reinkensmeyer, Karen Osborne and Sandi Wilson. An architect, expected to be selected from three interviewed, will also be on this development team as will the construction manager at risk when one is selected. Work sessions will begin in July. She asked that a Study Session be set for August 14 to present findings to the BOS and review any changes in direction. A final plan should be ready the first week of September. Design would begin in October with construction beginning in 2007 and completion is expected in three years, with move-in tentatively scheduled for late summer of 2009.

Bob Roble reminded the Board that they had raised a number of questions and concerns the last time this matter was discussed and he had some answers to report, as follows:

- New development should be "tied" to the existing buildings and have easy pedestrian access: An elevated, automated people-mover was priced and for one covering 300 ft (a city block) the cost would be \$4.5 million – mechanically it needs to be enclosed and air conditioned. This is the most expensive method for easy access; regular sidewalks are the least expensive, with several choices in-between.
- Adding office space or parking decks to existing buildings. Yes but retro-fit of existing structural systems must be done and they would have to be vacated to reinforce the foundations. He added that this would impact public access as well. As an example, to add office space on top of the 401 W. Jefferson building would cost nearly \$500/sq. ft. The same space built new would be \$250-\$260 per square foot. Adding parking spaces to existing parking garages could cost \$77,000 per parking

space and new parking construction is \$12,000 to \$24,000 a space. Below grade parking depends on the water table, which in this area is around 75 ft. below grade, or about six floors below grade. Cost comparisons –

- above grade office space - \$250-260 sq. ft.
 - below grade office space - \$470 sq. ft.
 - parking space above grade - \$18,000/per parking space
 - parking space below grade - \$45,000/per parking space
- Maximum buildable area and building heights: 60,000 sq. ft footprint per block, tapering in the upper floors to 40,000 sq. ft. On Blocks 69 and 70 buildings could be 20 stories high (840,000 gross sq. ft.). Block south on Jackson St. there are airplane glide path issues and limit is 17 stories (720,000 sq. ft.)
- Comparables in building a 10 story building now and adding 10 stories later vs. building a 20 story building to begin with, or a third option would be to build a 20 story building now and only complete 10 stories on the interior leaving the top 10 stories vacant until needed. Estimated design and construction costs would be:
 - 20 story building completed now: \$160 million total. Advantages are savings in escalated costs of future construction (rising construction costs are escalating at unprecedented rates now.); less dislocation chaos, much easier to do: Disadvantages – costs the most up front money.
 - 10 stories now and add 10 stories later: Move-in is now planned for summer of 2009, additional building is planned conceptually in 24 months (2012), finished in 2014. Cost would be half or \$80 million for phase 1. Phase 2 estimated to be \$135 million to complete 10 more stories (cost escalation and construction difficulties). Total cost approximately \$215 million.
 - 20 stories with 10 top stories a shell: \$133 million cost in phase 1. Phase 2 to complete the top 10 floors would cost \$46 million and the building would total \$180 million.

Ms. Birch did not ask for Board action, saying this is the first of several construction reports, and answered several questions from Members. Supervisor Wilson, in looking to future County space and land needs, referenced the tremendous growth experienced in the last 5-10 years that is expected to continue escalating. He felt it is important to consider the future when making these decisions and advised that it not be rushed to fit a timetable but to take the time to do it "right".

SOUTHEAST JUSTICE CENTER

Presentation to the Board of Supervisors on two options for the Southeast Justice Center, including advantages and disadvantages, as well as project scope, schedule, and costs. Direct the Facilities Management Department and County Manager on which option to formally submit for FY 2006-07 budget. (ADM1203) (ADM850)

Heidi Birch, Principal, Capital Facilities Development
Dave Watkins, Arrington Watkins Architects

Heidi Birch said that over the past eight years the Facilities Management Team, Steve Conner, Steve Blaylock and Heidi, have delivered \$800 million worth of projects that were completed on-budget and on-time. She added that unfortunately, the Southeast Justice Center cannot be included in that grand total and

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she had two options for the Board to consider adding that the Base Project was approved last October for \$46.2 million. She said that several things were driving the need for additional funding.

- Unprecedented escalation of construction costs.
- A parking study showing a greater additional parking need than originally thought.
- Request for 12,000 sq. ft from the Assessor's Office, currently in two leased spaces.
- Court's request to add Juvenile Probation office space of 28,000 sq. ft.
- Additional parking for these two additions.

Dave Watkins presented two options to consider that basically rearranged similar office and garage space on the existing grounds to facilitate access for the public and employees and giving estimated dollar savings.

Option 1 advantages and disadvantages:

- Use of shared, secured entrances.
- Keeping parking and offices separate is easier and more cost effective.
- Centralized utility and service area.
- Old building is screened from the Freeway.
- Vehicle and pedestrian traffic are separated.
- Can be done without relocating the Food Bank.
- Problems with putting parking structure where the parking lot is now
- Option 2 provides a better view from Mesa Drive

Option 2 advantages and disadvantages

- Existing judges and visitor parking relocated
- Project is stretched out to cover where the Food Bank is now
- Providing closer access of buildings to Mesa Drive
- Provides more attractive view from Mesa Drive
- Six level garage, two below level floors provide secure parking for the Sheriff
- Less disruptive construction
- Would require two separate security lobby entries
- This is a more linear presentation, existing building is not hidden from Freeway
- Food Bank would have to be moved.
- Storm water retention must be underground in this option because it is so "tight"
- Required to retain water on site
- Less parking than option 1
- A more difficult integration of structure systems and fire protection

In response to a question from Supervisor Brock asking how long such a complex would be workable when probation apparently projects volatile growth in the future. Mr. Watkins replied that this project provides 160,000 sq. ft. and is estimated to provide up to five years of growth. Ms. Birch said that when the criminal trials are moved downtown space would free-up space at Southeast to allow other uses. Discussion ensued on future growth needs and the possibility of building additional stories and "shelling them out" for future completion. Mr. Brock said that instead of shelling out he felt it would be better to complete the space and lease it out until it is needed.

Supervisor Wilson asked for comparables between the Southeast Court Complex and those already completed in the northeast and northwest. Ms. Birch said they were all similar except in costs, which have escalated since completion of the earlier complexes.

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Supervisor Kunasek said that the County owns the land the Food Bank is located on and asked if there was an obligation to purchase new property if the Food Bank needed to be moved. Ms. Birch said that costs to relocate the Food Bank have not been included in either option. Chairman Stapley said the Food Bank needs additional space and is hopeful that they will be moved to another, larger location. He added that this food bank serves 5-6 cities in the entire east valley and not just Mesa. Ms. Birch said that there are buildings available in the area for approximately \$3 million that would serve their growing needs.

Discussion ensued on potential changes to the two options by relocating buildings and parking in different ways. Chairman Stapley said he wasn't happy with either option but preferred option 2. However, he wanted several things tweaked with regards to parking and keeping an attractive ambiance at the Mesa Drive entrance. He reported that there is a 12-acre property south of Williams Gateway that is available and could be acquired now for future expansion. Board members were interested in finding good properties to be used for future expansion and asked Ms. Birch to look into it and schedule individual briefings with the Members.

David Smith suggested that several additional options dealing with cost effective site saturation and incorporating the suggestions from Board Members be investigated and brought back for a future review.

REGIONAL SCHOOL DISTRICT #509

The Board of Supervisors, pursuant to its authority granted in A.R.S. §15-1001, will consider for approval vouchers presented by the County School Superintendent of Maricopa County to draw warrants on the County Treasurer against Maricopa County Regional School District #509 School District funds for necessary expenses against the school district and obligations incurred for value received in services as shown in the Vouchers. (ADM3814-003)

The Board of Supervisors may consider ratifying any Maricopa County Regional School District #509 vouchers and/or warrants approved in accordance with the procedures of A.R.S. §15-321 since the last meeting of the Board of Supervisors. The Board of Supervisors may hear staff reports on the vouchers and warrants being considered. The Vouchers are on file in the Maricopa County's Clerk of the Board's office and are retained in accordance with ASLAPR approved retention schedule. (ADM3814-003)

Motion was made by Supervisor Wilcox, seconded by Supervisor Kunasek, and unanimously carried (5-0) regarding action on the following vouchers:

- | | | |
|---|----------------------------------|--------------|
| • | Approve Voucher No. 780-20060616 | \$393,360.43 |
| • | Ratify Voucher No. 5166 | \$76,651.13 |

Staff may update the Board of Supervisors on regional schools operations and finances. (ADM3814-005)

EXECUTIVE SESSION CALLED

Motion was made by Supervisor Kunasek, seconded by Supervisor Brock, and unanimously carried (5-0) to recess and reconvene in Executive Session to consider items listed on the Executive Agenda dated June 19, 2006, pursuant to listed statutory authority, as follows.

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

- 1. Compromise Cases –** Barbara Caldwell, Outside Counsel
Govan, Tykesha Vallejo, Deborah

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Ochoa, Efren Wood, Kevin
Orozco, Nicolassa

2. **Write-Off Cases** – Barbara Caldwell, Outside Counsel
 Sheriff's Uncollectible Accounts

PERSONNEL MATTERS – PROMOTION, DEMOTION, SALARY, ETC. – ARS §38-431.03(A)(1)

3. **Salary for Chief Deputy Assessor**
 Keith Russell, Assessor
 Shawn Nau, Total Compensation

**LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS
CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(3) and (A)(4)**

4. **Pearl Wilson, et al., v. Maricopa County, et al.,
US District Court No. CIV02-5803-PHX-JTT**
 Richard Strohm, Outside Counsel
 Teresa Sanzio, Outside Counsel
 Daniel Struck, Outside Counsel
 Peter Crowley, Risk Manager
 Ted Howard, Claims Manager
 Richard Stewart, Deputy County Attorney
5. **Robert Louis Armstrong v. Maricopa County, et al.
US District Court No. CV05-1563-PHX-DKD**
 David Damron, Outside Counsel
 Georgia Staton, Outside Counsel
 Peter Crowley, Risk Manager

**PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER
TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(4)**

6. **Sun City Grand Community Association v. Maricopa County
TX2004-000799**
 Jean Rice, Deputy County Attorney
 Kathleen Patterson, Deputy County Attorney
 Jerry Fries, Outside Counsel
7. **Southwest Gas Corp. v. Arizona Department of Revenue, Maricopa County, et al., Case
Nos. TX2001-000473, TX2002-000567, TX2003-000009, TX2003-000365, and TX2004-000998
(Consolidated)**
 Jean Rice, Deputy County Attorney
 Jerry Fries, Outside Counsel

LEGAL ADVICE – ARS §38-431.03(A)(3)

8. **Avondale City Center/Southwest Regional Center**
 Tom Manos, Chief Financial Officer

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Dennis Lindsay, Manager, Real Estate Services
William Riske, Deputy County Attorney
Chris Bradley, Deputy Budget Director
Heidi Birch, Principal, Capital Facilities
Steve Conner, Director, Facilities Management
Hugh Gallagher, Deputy Court Administrator
Marcus Reinkensmeyer, Judicial Branch Administrator

- 9. Lien of County on employee Benito Ganados' recovery against Budget Rent-A-Car**
Ted Howard, Claims Manager
John Paulsen, Deputy County Attorney

SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(4)

- 10. Settlement of Darrell Marr, former employee in Facilities Management Department**
Martin Demos, Deputy County Attorney
James Foley, Deputy Director, Facilities Management
Linda Young, Employee Relations Supervisor

LEGAL ADVICE; PENDING LITIGATION – ARS §38-431.03(A)(4)

- 11. Dr. Philip E. Keen v. Maricopa County, et al.**
CV2006-008666
Don Peters, Outside Counsel
Jack LaSota, Outside Counsel

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

- 12. Andrew Thomas v. Maricopa County Board of Supervisors, et al.**
Tim Casey, Outside Counsel

LEGAL ADVICE – ARS §38-431.03(A)(3)

- 13. Legal advice concerning Board of Supervisors representation and course of action regarding Restated Declaration of Trust.**
Tim Casey, Outside Counsel

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO NEGOTIATION – ARS §38-431.03(A)(3) AND (A)(4)

- 14. Advice regarding legal issues and options concerning County Regional School District/Accommodations School funding, management, audit issues, and Dr. Sandra Dowling v. Maricopa County, et al., Superior Court No. LC-2006-000370-001-DT.**
Sandi Wilson, Deputy County Manager
Brian Hushek, Deputy Budget Director
Shelby Scharbach, Deputy Finance Director
Dean Wolcott, Outside Counsel
Tom Manos, Chief Financial Officer

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Ross Tate, County Auditor
Tom Irvine, Outside Counsel
Fred Rosenfeld, Outside Counsel
LeeAnn Bohn, Budget Manager

LEGAL ADVICE; CONTRACTS SUBJECT TO NEGOTIATION – ARS §38-431.03(A)(3) and (A)(4)

15. IGA between Maricopa County and the Maricopa County Regional School District #509 regarding school operations and financing.

Sandi Wilson, Deputy County Manager
Brian Hushek, Deputy Budget Director
Shelby Scharbach, Deputy Finance Director
Dean Wolcott, Outside Counsel
Tom Manos, Chief Financial Officer
Ross Tate, County Auditor
Tom Irvine, Outside Counsel
Fred Rosenfeld, Outside Counsel
LeeAnn Bohn, Budget Manager

MEETING ADJOURNED

After discussion on the above items and there being no further business to come before the Board, the meeting was adjourned.

Don Stapley, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board